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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

0007

November 16, 2009

Kevin Butters
Towers Sand and Gravel
760 North Harrisville Road
Harrisville, Utah 84404

Subject: Review of Collateral Bonding Proposal, Towers Sand and Gravel LLC and C. E. Butters Realty and Construction Inc., Towers Sand and Gravel Quarry, M/057/0006, Weber County, Utah

Dear Mr. Butters:

On September 29, 2009, the Division received by electronic mail a proposal from you for a collateral bond for the Towers Sand and Gravel Quarry. This proposal included three parts of the property on which the mine is located. These three areas are a triangular area on the southwest part of the property (7.75 acres), an adjacent trapezoidal area running along the southern portion of the property (11.65 acres), and a rectangular area in the northeast portion of the property (7.15 acres).

The Division is willing to accept the rectangular and triangular areas but not the trapezoidal area along the southern boundary of the property. The e mail proposal says, "Scale house facilities would be operated by Butters Construction and would not be part of *the current mine plan*." These facilities need to be included in the mine plan. The Division considers the scale house and the road leading to and from the scale house to be part of the land affected by mining operations and thus not eligible for use as a collateral bond under the terms the Division has defined. The triangular area is also considered to be affected, but the Division is willing to accept it because the degree of disturbance—a soil stockpile—is much less than it is for the scale house and adjacent areas.

The Division suggests that you designate a larger piece of the property in the northeast portion of the area. You might also consider a combination of the collateral bond with a more traditional surety, such as a letter of credit or a surety bond.

Please respond with a new proposal no later than December 1, 2009. We remind you that a response to the Division's review of your Notice of Intention to Commence Large Mining Operations is also due December 1, 2009.



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Thank you for your cooperation. Please call me at 801-538-5261 if you have questions about this letter.

Sincerely,

A handwritten signature in black ink, appearing to read 'P B Baker', with a stylized, cursive script.

Paul B. Baker
Minerals Program Manager

PBB:pb

cc: Jody Burnett, Pleasant View City, 520 West Elberta Drive, Pleasant View, Utah 84414
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